

AMENDED IN ASSEMBLY APRIL 20, 2009

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 972

Introduced by Assembly Member Audra Strickland

February 26, 2009

An act to add Section 42135 to the Education Code, relating to school finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 972, as amended, Audra Strickland. School district administrative costs.

Existing law prescribes the procedure for a school district to adopt a budget for the expenditures of the district during each fiscal year and for the county superintendent of schools to review and approve the adopted budget.

This bill, commencing with the 2010–11 fiscal year, would require a school district with an annual enrollment greater than 300,000 pupils to limit its expenditures for administrative costs, as defined, to no more than 10% of its total budget during each fiscal year, including moneys received from all state, federal, and local sources during the fiscal year.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 42135 is added to the Education Code,
- 2 to read:
- 3 42135. (a) Commencing with the 2010–11 fiscal year, a school
- 4 district with an annual enrollment greater than 300,000 pupils shall

1 limit its expenditures for administrative costs to no more than 10
2 percent of its total budget for each fiscal year, including moneys
3 received from all state, federal, and local sources during the fiscal
4 year.

5 (b) For purposes of this section, “administrative costs” means
6 the sum of expenditures for each of the following categories:

7 (1) General administration. For purposes of this subdivision,
8 “general administration” means those activities involving the
9 governing board of a school district, activities relating to the
10 executive responsibility of the school district, activities associated
11 with central data processing, central support, activities associated
12 with fiscal services, and other general administrative services. For
13 purposes of this paragraph, the following terms have the following
14 meanings:

15 (A) “Board” means the activities of the elected body that has
16 been created under the applicable provisions of law and that has
17 responsibility for the educational activities over which the elected
18 body has jurisdiction. These activities may include, but are not
19 limited to, supervision over services of the board, services related
20 to the election of members of the board, services related to property
21 tax assessment and collection, and services related to employee
22 relations and negotiations.

23 (B) “Central data processing” includes, but is not limited to,
24 in-house services provided from a mainframe computer or
25 minicomputer as well as the costs of centralized services provided
26 by another agency. Central data processing does not include smaller
27 specialized units such as microcomputers or personal computers.

28 (C) “Central support” means activities relating to paying,
29 transporting, exchanging, and maintaining goods and services for
30 the school district. These activities include, but are not limited to,
31 planning, research development and evaluation services; the
32 provision of public information; purchasing; warehousing and
33 distribution; and printing, publishing, and duplicating. For purposes
34 of this subparagraph, the following terms have the following
35 meanings:

36 (i) “Development services” include, but are not limited to,
37 activities relating to the deliberate evolving process of improving
38 educational programs, such as activities using the products of
39 research.

1 (ii) "Evaluation services" include, but are not limited to,
2 activities relating to ascertaining or judging the value or amount
3 of an action or an outcome through the careful appraisal of
4 previously specified data in light of the particular situation and the
5 goals previously established.

6 (iii) "Planning services" include, but are not limited to, activities
7 relating to the selection or identification of the overall, long-range
8 goals and priorities of the school district and the formulation of
9 various courses of action needed to achieve those goals through
10 the identification of needs and relative costs and benefits of each
11 course of action.

12 (iv) "Printing, publishing, and duplicating" means activities
13 relating to the printing and publishing of administrative
14 publications, ~~such as~~ *including* annual reports, school directories,
15 and manuals. These activities also include centralized services for
16 duplicating school materials and instruments, ~~such as~~ *including*
17 school bulletins, newsletters, and notices.

18 (v) "Public information" means activities relating to the writing,
19 editing, and other preparation necessary to disseminate educational
20 and administrative information to the public through various news
21 media or through personal contact.

22 (vi) "Purchasing" means activities relating to the purchasing of
23 supplies, furniture, equipment, and materials used in schools or a
24 school district.

25 (vii) "Research services" include, but are not limited to,
26 activities relating to the systematic study and investigation of the
27 various aspects of education undertaken to establish facts and
28 principles.

29 (viii) "Warehousing and distribution" means the receipt, storage,
30 and distribution of supplies, furniture, equipment, materials, and
31 mail.

32 (D) "Executive" means the activities relating to the executive
33 responsibility of a school district, including, but not limited to,
34 services pertaining to the office of the county superintendent of
35 schools, to community relations, and to state and federal relations.

36 (E) "Fiscal services" means activities relating to the fiscal
37 operations of a school district. Fiscal operations include, but are
38 not limited to, budgeting, receiving and disbursing funds, financial
39 and property accounting, payroll, inventory control, internal

auditing, and managing funds. For purposes of this subparagraph, the following terms have the following meaning:

(i) “Budgeting” means activities relating to the supervision of budget planning, formulating, control, and analysis.

(ii) “Financial accounting” means activities relating to the maintenance of records of the financial operations and transactions of the school district, including, but not limited to, accounting and interpreting financial transactions and account records.

(iii) “Internal auditing” means activities relating to the verification of account records, including the evaluation of the adequacy of the internal control system, ~~such as~~ *including* verification and safeguarding.

(iv) “Payroll” means activities relating to the periodic payment of individuals entitled to remuneration for services rendered to a school district.

(v) “Property accounting” means activities relating to the preparation and maintenance of current inventory records of land, buildings, and equipment owned or leased by a school district as used for equipment control and facilities planning.

(vi) “Receiving and disbursing funds” means activities relating to taking in and paying out money, including, but not limited to, the current audit of receipts, the preaudit of requisitions or purchase orders to determine whether the amounts are within the budgetary allowance and to determine that the disbursements are lawful expenditures of a school or a school district, and the management of school funds.

(F) “Personnel” means activities relating to the maintenance of an efficient staff for schools under the jurisdiction of a school district.

(G) “Other general administrative services” means other general administrative services of a school district not defined in this section.

(2) Instructional resources supervision. For purposes of this subdivision, “instructional resources supervision” means overall management and maintenance of the resources to instruct pupils and activities and materials used by pupils to enhance learning.

(3) Supervision of instruction. For purposes of this subdivision, “supervision of instruction” means activities undertaken primarily to assist instructional staff in planning, developing, and evaluating the process of providing learning experience for pupils. These

1 activities include curriculum development, instructional research,
2 instructional staff development, instructional supervision, and the
3 organizing and coordinating of ~~training of staff~~ *staff training* in
4 techniques for instruction, child development, and understanding.
5 For purposes of this paragraph, the following terms have the
6 following meanings:

7 (A) "Curriculum development" means activities that aid teachers
8 in developing the curriculum, preparing and utilizing special
9 curriculum materials, and understanding and appreciating the
10 various techniques that stimulate and motivate pupils.

11 (B) "Instructional research" means activities associated with
12 assessing programs and instruction based on research.

13 (C) "Instructional staff development" means activities that
14 contribute to the professional or occupational growth and
15 competence of members of the instructional staff during the time
16 of their service to a school or school district. These activities
17 include the coordination of services which guide teachers in the
18 use of instructional materials, administering sabbaticals, and
19 providing the environment for in-service training.

20 (D) "Instructional supervision" means activities associated with
21 directing, managing, and supervising instruction services.

22 (c) *For purposes of this section, administrative costs do not*
23 *include services performed by classified employees.*